

# Office of Governor Mitch Daniels

## Mar. 3 - 9, 2008 Volume 2, Issue 72



# Weekly wrap-up



## A Winning Plan for Property Tax Relief

*As the Indiana General Assembly heads into the final week of the 2008 session, Governor Daniels outlined the four essential elements needed for property tax relief in an opinion editorial that has appeared in several Indiana newspapers.*

Mar. 9, 2008- We are close to a huge breakthrough in delivering permanent property tax relief for Hoosier homeowners. Legislators from both parties have worked hard and in good faith to evaluate and improve the original plan that I proposed to them last October. I hope that, in the next week or so, I will be able to sign legislation that cuts property taxes sharply and protects against future unfair increases by capping them forever, while addressing the concerns of local governments and schools about their ability to provide services in the coming era of property tax restraint.

This week, Senator Luke Kenley and others produced a compromise plan that deserves bipartisan and universal support. It meets all four of the elements I have laid out as essential to real property tax reform: immediate and significant relief for all property taxpayers; permanent protection against future tax increases; meaningful controls on local government spending; and improved accuracy and fairness in the assessment of property values. **Continued on Page 3**

## Indiana shows the most improvement on state management report card

Mar. 7, 2008- Governing magazine, in conjunction with the Pew Center on the States, has just released its fourth report from the Government Performance Project, which assesses the quality of management in each state.

	<u>2005</u>	<u>2008</u>
Money	C	B+
People	C	B
Infrastructure	B-	B+
Information	C	B-
OVERALL	C+	B

Overall, Indiana's grade improved from C+ to a B. Although the report does not rank states against each other, only eight states finished with a higher grade than Indiana, whereas only five states finished with a lower grade than Indiana in 2005.

Researchers analyzed performance in four categories: money, people, infrastructure and information. Within each of these categories are five criteria for which states were rated as a strength, mid-level, or weakness. The 20 criteria

used are identical to the measures used for the last report in 2005, allowing direct comparison to individual performance from three years ago.

Indiana was one of three states (the others are Alabama and Wyoming) whose overall grade went up two letter segments. No states improved or declined by more than two letter segments. Indiana was the only state to move from below the median grade (B-) to above it.

Grades were also assessed at the category level (money, people, infrastructure and information). Indiana increased each category grade by at least two letter segments. No other state increased all four sections by one letter segment, let alone two. In total, the Indiana's category grades increased by eleven letter segments. The next highest increase was five letter segments (Georgia and Wyoming).

To view past updates, click [here](#).

To visit Governor Daniels' Web site, click [here](#).

## Waste services company to create more than 350 new jobs in Morocco

Mar. 7, 2008- Governor Mitch Daniels joined executives from Allied Waste Industries, Inc. (NYSE: AW), the nation's second largest waste services company, to announce the Company's plans to establish a new regional customer and financial support center in Morocco, creating more than 350 new jobs by 2014.

The new jobs come following the Phoenix-based company's decision to consolidate its regional customer support center operations into a centralized operation in this Northwest Indiana town of less than 1,200. The center will provide services to customers in 17 states. Allied Waste also operates a 584-acre landfill in Newton County.

"We welcome Allied Waste's continued investment in the Hoosier state," Daniels said. "We have worked hard to create a competitive environment that differentiates ourselves from our neighbors and makes Indiana a great location for companies seeking to grow their business here in the Midwest."

Allied Waste will locate its new consolidated customer support center in an idled manufacturing facility located at 1301 E. Michigan St in Morocco. The company will begin renovations to the facility this summer and plans to begin hiring customer support representatives, credit analysts, sales staff and customer managers in the fourth quarter of 2008.

[Read the news release.](#)



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## Hoosiers in the State House



Mar. 3 2008— Governor Daniels welcomed Zach Fritz (McCordsville) and Alison Mansfield (Fort Wayne) to the Governor's Office. The two cousins visited the State House to serve as Senate Pages.

## Ag equipment manufacturer to expand its Mishawaka operations

Mar. 3, 2008- Laidig Systems, Inc., a manufacturer of silo storage and conveyor systems, announced it will expand its operations here, creating more than 45 new jobs.

The company, which designs and manufactures dry good reclaim systems and silo unloaders, will invest more than \$6 million to build a 49,000 square-foot addition to its manufacturing and office facility at 14535 Dragoon Trail.

"Creating an environment that encourages growth is essential to Indiana's continued economic success," said Governor Mitch Daniels. "Decisions like the one Laidig is making to continue to invest in Indiana reflects a growing confidence in the business climate in our state."

[Read the news release.](#)



Mar. 4, 2008- Governor Daniels met with high school students at the 1st Amendment Symposium hosted by the Indiana High School Press Association at the State House.

Did you know...

...Governor Daniels' website has an interactive map of *your* county? Click [here](#) to see what's happening in your community.

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Despite many changes, the basic framework of my original proposal has been maintained. It provides an additional \$700 million in relief for 2008 tax bills, in addition to the \$250 million already allocated by the General Assembly. The average homeowner would see about a 1/3 cut with those hardest hit seeing even greater relief. It takes the cost of funding school operations, child welfare, and other local obligations off the backs of property taxpayers and shifts them to the state. It caps property tax bills at 1 per cent of a home's assessed value, requires referenda to approve major new capital projects, and sharply reduces the number of assessors responsible for valuing property.

At the same time, this compromise plan is exactly that – a compromise. It takes into account the concerns that have been expressed most loudly during the legislature's consideration of property tax reform. It provides special tax relief for lower income Hoosiers, renters, and senior citizens. It eases the transition for schools and local governments to a new era of lower property taxes and gives them more flexibility than they've ever had to manage their fiscal affairs. The plan is especially sensitive to the concerns of our schools, providing two years of special payments to partially offset the impact of the new taxpayer protections, allowing communities to exceed the caps for school spending with taxpayer approval, and increasing the school "rainy day fund."

This practical plan provides an opportunity for Hoosiers to come together in our state's best tradition of pragmatic problem solving. It would provide Hoosier homeowners and businesses with security and predictability they've never before enjoyed, knowing that there is a fair and final limit on the amount of tax they will ever pay on their property. It gives taxpayers a much stronger voice in decisions about the new public and school facilities that are built in their communities. It places clear accountability for local government spending on local government officials, finally ending the state subsidies that rewarded those who spent the most locally with the greatest amount of state support.

As I've traveled the state the past few months, I've seen the consequences of high property taxes firsthand. I've met with homeowners of all ages who are scared that they will have to leave their homes because they can no longer pay their property tax bills. They don't understand a system that first decides how much government wants to spend and then sends out the bills, regardless of how high they are. Taxpayers want government to stop living beyond their means and instead hold spending down to what they can afford to pay.

I've also visited communities that are struggling to provide adequate public services because both families and businesses have fled to avoid the costs of ever-rising property tax bills. The biggest threat to our cities and schools is not property tax caps, as their lobbyists argued to the General Assembly. It is the negative spiral whereby high taxes drive people away, leaving a shrinking tax base that pushes up further rates for remaining taxpayers, thus driving even more people and businesses to places with lower taxes. The best way to stabilize communities and struggling school districts is to encourage families and businesses to stay put by reducing their taxes and providing them with certainty by capping their future tax exposure.

The months of hard work have been well spent, and the time for decision has arrived. Legislators must now side either with those who pay property taxes or those who spend them. Those who continue to defend a system that can tax Hoosiers without limit must accept the justice of permanent protection that is fair for all. The General Assembly has an historic opportunity to fix, once and for all, the state's property tax problems and make Indiana America's best place to own a home or business.

**-Governor Mitch Daniels**



*Mar. 5, 2008- Governor Mitch Daniels spoke to students and members of the business community at a luncheon hosted by the IU Kelley School of Business.*

[Listen](#) as Governor Daniels delivers the keynote address at the Indiana University Kelley School of Business annual luncheon

## A look ahead...

Governor Daniels will travel to Whitestown this week.